



Automobile Dealers Association of Indiana, Inc.

REGULATORY BULLETIN

CINDY NELSON
Regulatory Agency Liaison

August 24, 2001

BULLETIN #6

BMV ANNOUNCES POWER OF ATTORNEY COPIES NOT ACCEPTED AFTER OCTOBER 31, 2001

On August 23, 2001 the Bureau of Motor Vehicles sent the following message to all of its license branches:

"ADMINISTRATIVE MESSAGE #132-01
TO: All License Branches; District Managers; and Training Staff
FROM: Gary Humphries, Director of Titles Vehicle Services
RE: Power of Attorney
DATE: August 21, 2001

This past year we have stressed in our Dealer Seminars that the Power of Attorney (POA) documents used in title transactions should be the original document. It appears from the multitude of calls that are being received in vehicle services that this message is finally getting out to the dealers, financial institutions and lease companies.

Requiring the original POA has caused some confusion and problems:
Copies of the Power of Attorney **form** are permissible.

Copies or faxes of the completed and signed form are not acceptable, except:

GENERAL POWER OF ATTORNEY: If the dealership has a General Powers of Attorney from financial institution, leasing company or manufacturer they must keep an original of this document on-file at their dealership. They may then submit a copy of the General Power of Attorney with each transaction, if it is noted that this is a "true and original copy" as attested and signed by the dealer representative processing the transaction.

HOLD HARMLESS LETTER: If the financial institution, leasing company or manufacturer submits on it's letterhead a document agreeing to indemnify, defend, and hold harmless the State of Indiana and it's agents, officers and employees from any and all claims that may arise out of the signature on the Power of Attorney being copied. A copy of this letter should be attached to each transaction that uses a Power of Attorney where signatures of the financial institution, leasing company or manufacturer official(s) have been copied.

Some customers have waited until the last minute to title and register the vehicle and are being turned away from the branches since the Power of Attorney they were given had been signed and then copied.

Dealers are also having problems getting financial institutions to supply them with the necessary power of attorney documents.

Efforts should be made to obtain the original Power of Attorney (POA). To prevent undue burdens to the customer, please allow copies of POA's until October 31, 2001. Make sure that the dealer and the customer know that this was an exception and that copies will not be allowed after the previously stated date unless identified as an exception (i.e. General Power of Attorney, Hold Harmless Letter).

If the POA is needed for additional transactions, please make a copy with a note on the copied document that the original was presented for the transaction but was returned to the dealer / customer.

Another option for the Dealer. If a dealer has an arrangement with a financial institution, leasing company or manufacturer to lease vehicles, they might consider getting a letter of agency from the financial institution, leasing company or manufacturer. The dealer can then give the lessee an original POA and sign as agent of the financial institution, leasing company or manufacturer.

If you have any questions, Please call the Vehicle Services Help Desk at (317) 232-2859. "

(ADAI Summary on back.)

SUMMARY:

- A. Power of Attorney **blank forms may be copied.**
- B. **Copies of completed Powers of Attorney will not be accepted after October 31, 2001** unless covered by an exception. (BMV wants original signatures of principal and notary.)
- C. Exceptions are:
 - 1. **“General Power of Attorney” - a POA granted to a dealer from a company for general fleet title and registration purposes that is *NOT* vehicle specific and usually contains an expiration date.** (These are discussed in the ADAI Regulatory Seminars.) A copy of the original certified as being ‘a true and exact copy’ should be submitted with each application for title. Each application should be completed by the dealer not the customer when the title will be in the name of the company (lease & fleet work). The original should be kept at the dealership for presentation to the BMV if requested.
 - 2. **“Hold Harmless Letter” - a letter from a lease company, manufacturer, financial institution releasing the BMV from liability for acceptance of copies of power of attorneys.** These letters should be addressed to the BMV in care of the dealership. (Ford Motor Company uses these.)
- D. **“Agent” status** with financial institution, lease company, or manufacturer **highly suggested by BMV.** Keep ‘letter of agency’ on file at dealership. Then assign original POA to customer as agent for company.

Some license branches have already started rejecting copies of powers of attorney. They have now been informed via the Administrative Message above that they may accept them until October 31, 2001. After that date, the branch will only accept a power of attorney with original signatures from the principal and notary unless a copy is submitted under the exceptions indicated above.

If you have any questions regarding this bulletin, you can contact me at ADAI Headquarters or contact the Bureau’s Vehicle Services Help Desk at the number listed above.